



## ***Pennsylvania Office of Consumer Advocate***

### Customer Impact Analysis of House Bill 11 of 2019

### **(Dollar Impact)**

| <b>Customer Class</b>     | <b>Annual Usage (1)</b><br>MWh | <b>Annual Impact RY 2019</b><br><b>\$6.96/MWh Tier III AEC</b><br><b>(2)</b><br>(0.348 cents/kWh) | <b>Annual Impact Ceiling</b><br><b>\$7.904/MWh Tier III</b><br><b>AEC (3)</b><br>(0.3952 cents/kWh) | <b>Annual Impact Floor</b><br><b>\$6.08/MWh Tier III</b><br><b>AEC (4)</b><br>(0.304 cents/kWh) |
|---------------------------|--------------------------------|---|---|---|
| Residential               | 49,140,470                     | \$171,008,836   | \$194,203,137   | \$149,387,029   |
| Commercial                | 40,621,398                     | \$141,362,465   | \$160,535,765   | \$123,489,050   |
| Industrial                | 47,764,314                     | \$166,219,813   | \$188,764,569   | \$145,203,515   |
| Other                     | 1,184,867                      | \$4,123,337   | \$4,682,594   | \$3,601,996   |
| Total (First Year Impact) | 138,711,049                    | \$482,714,451   | \$548,186,066   | \$421,681,589   |

| Total<br>(Based on Impact of Initial Six Year term) | <b>Six-year Impact RY 2019</b> | <b>Six-year Impact Ceiling</b> | <b>Six-year Impact Floor</b> |
|---|--------------------------------|--------------------------------|------------------------------|
|   | \$2.90 billion                 | \$3.29 billion                 | \$2.53 billion               |

(1) MWh consumption, by class, is for Calendar Year 2017 and is the sum of sales, by class, for Pennsylvania's 11 electric utilities. Source: Pennsylvania Public Utility Commission, *Electric Power Outlook for Pennsylvania 2017-2022*, August 2018, p. 20, Table 6. To calculate Reporting Year costs, it was assumed that CY 2017 sales levels, by class, would remain unchanged.

(2) Reporting Year (RY) is June 1 through May 31. \$6.96/MWh Tier III AECs price based on calendar year 2018 Pennsylvania Tier I AEC forward prices for each week for reporting years 2019/2020, 2020/2021, and 2021/2022 as reported in *Spectrometer Reports*.

(3) The Ceiling Price is calculated as 65% of \$12.16, the weighted average price paid for Tier I AECs by Pennsylvania suppliers as reported in the Public Utility Commission's *2017 Annual Report of Alternative Energy Portfolio Standards Act of 2004*, p. 43, Table 2.

(4) The Floor Price is calculated as 50% of \$12.16, the weighted average price paid for Tier I AECs by Pennsylvania suppliers as reported in the Public Utility Commission's *2017 Annual Report of Alternative Energy Portfolio Standards Act of 2004*, p. 43, Table 2.